SENATE BILL No. 170

By Committee on Utilities

2-9

AN ACT concerning electric utilities; relating to the regulation of carbon
dioxide emissions; concerning development of a state implementation
plan, legislative approval; state corporation commission; department of
health and environment.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) The state corporation commission and the secretary of
health and environment may examine the implications of preparing and
implementing any rule proposed under docket EPA-HQ-OAR-2013-0602
or pursuant to 42 U.S.C. § 7411(d), but shall not prepare, draft, submit or
implement an implementation plan or expend any funds to develop an
implementation plan pursuant to any such rule until the completion of
judicial review, in the determination of the commission and the secretary,
as to the legality of federal regulation for existing electric generating units
pursuant to such rule has been fully resolved.

(b) The secretary, prior to submission to the environmental protection
agency of any state implementation plan developed by the secretary, shall
submit the plan to the:

(1) Senate committee on utilities and the house of representatives
committee on energy and environment or, if the legislature is not in
session, any special committee created by the legislative coordinating
council to address electricity or utilities issues, for such committees to:

(A) Review the impact of the plan and implementation of the rule
proposed by the environmental protection agency on the affordability and
reliability of the electric system for Kansas ratepayers; and

(B) submit a report including the committee's findings and approval
of the plan to the legislature; and

(2) state corporation commission and the federal energy regulatory
commission to certify that implementation of the proposed rule will still
permit electric utilities in Kansas to meet the reliability standards
established by the federal energy regulatory commission.

(c) In performing a review of any state implementation plan
developed in response to docket EPA-HQ-OAR-2013-0602 or 42 U.S.C. §
7411(d), the state corporation commission and the department of health
and environment shall:

(1) Condition any decision related to electricity generation and
distribution on least-cost proposals that comply with any rules proposed pursuant to 42 U.S.C. § 7401 et seq. and the state implementation plan for which air quality criteria have been established pursuant to 42 U.S.C. § 7412;

(2) require that all existing electric generating units be operated in accordance with such units' design parameters and in such a manner as to ensure operation consistent with the initial design life of a unit at the time of such unit's construction;

(3) cap non-fuel rate increases associated with greenhouse gas regulations at 1.5%; and

(4) not allow electric generating units to be retired prior to a unit's engineering lifetime:

(A) If the unit is necessary to maintain the grid reliability specified by the federal energy regulatory commission reliability standards; or

(B) unless the owners of the unit have fully recouped the cost of construction and financing, the replacement generation results in lower electric costs to ratepayers and there is sufficient replacement capacity to meet dispatchable capacity of the unit to be retired.

Sec. 2. This act shall take effect and be in force from and after its publication in the Kansas register.